

2012730e1

1                   A bill to be entitled  
2           An act relating to Medicaid managed care; amending s.  
3           408.7056, F.S.; specifying which health plan entities  
4           are subject to the subscriber assistance program;  
5           amending s. 409.912, F.S.; authorizing the Agency for  
6           Health Care Administration to extend or modify certain  
7           contracts with behavioral health care providers under  
8           specified circumstances; removing the expiration of  
9           the authority of the agency to impose fines against  
10          entities under contract with the department under  
11          specified circumstances; amending s. 409.9122, F.S.;  
12          directing the agency to calculate a medical loss ratio  
13          for managed care plans under specified circumstances  
14          and providing the method of calculation; amending s.  
15          409.961, F.S.; specifying that contracts necessary to  
16          administer the Medicaid program are not rules and are  
17          not subject to ch. 120, F.S., the Administrative  
18          Procedure Act; amending s. 409.962, F.S.; including  
19          certain Medicare plans in the definition of the term  
20          "comprehensive long-term care plan"; including certain  
21          Medicare plans in the managed medical assistance  
22          program by amending the definition of the term  
23          "eligible plan"; amending s. 409.966, F.S.; modifying  
24          a preference for plans with in-state operations;  
25          revising a definition; amending s. 409.967, F.S.;  
26          limiting the penalty that a plan must pay if it leaves  
27          a region before the end of the contract term;  
28          directing the agency to calculate a medical loss ratio  
29          for managed care plans under specified circumstances

2012730e1

30 and providing the method of calculation; amending s.  
31 409.973, F.S.; requiring a managed care plan to inform  
32 the enrollee of the importance of having a primary  
33 care provider; amending s. 409.974, F.S.; revising  
34 requirements for participation by specialty plans;  
35 revising requirements for participation by certain  
36 Medicare plans; requiring contracts to meet certain  
37 standards; setting enrollment requirements; amending  
38 s. 409.981, F.S.; modifying requirements for  
39 participation by Medicare Advantage Special Needs  
40 Plans; requiring contracts to meet certain standards;  
41 establishing enrollment requirements; amending s.  
42 627.602, F.S.; applying federal internal grievance  
43 procedures to certain health insurance policies;  
44 providing exceptions; creating s. 627.6513, F.S.;  
45 applying federal internal grievance procedures to  
46 certain group health insurance policies; providing  
47 exceptions; creating s. 641.312, F.S.; authorizing the  
48 Office of Insurance Regulation to adopt rules to  
49 administer the federal procedures; providing effective  
50 dates.

51  
52 Be It Enacted by the Legislature of the State of Florida:

53  
54 Section 1. Effective May 12, 2012, subsection (15) is added  
55 to section 408.7056, Florida Statutes, to read:

56 408.7056 Subscriber Assistance Program.—

57 (15) This section applies only to prepaid health clinics  
58 certified under chapter 641, Florida Healthy Kids plans, and

2012730e1

59 health plan health insurance policies or health maintenance  
60 contracts that meet the requirements of 45 C.F.R. s. 147.140,  
61 but only if the health plan does not elect to have all of its  
62 health insurance policies or health maintenance contracts  
63 subject to applicable internal grievance and external review  
64 processes by an independent review organization. A health plan  
65 must notify the agency in writing if it elects to have all of  
66 its health insurance policies or health maintenance contracts  
67 subject to such external review.

68 Section 2. Paragraph (b) of subsection (4) and subsection  
69 (21) of section 409.912, Florida Statutes, are amended to read:  
70 409.912 Cost-effective purchasing of health care.—The  
71 agency shall purchase goods and services for Medicaid recipients  
72 in the most cost-effective manner consistent with the delivery  
73 of quality medical care. To ensure that medical services are  
74 effectively utilized, the agency may, in any case, require a  
75 confirmation or second physician's opinion of the correct  
76 diagnosis for purposes of authorizing future services under the  
77 Medicaid program. This section does not restrict access to  
78 emergency services or poststabilization care services as defined  
79 in 42 C.F.R. part 438.114. Such confirmation or second opinion  
80 shall be rendered in a manner approved by the agency. The agency  
81 shall maximize the use of prepaid per capita and prepaid  
82 aggregate fixed-sum basis services when appropriate and other  
83 alternative service delivery and reimbursement methodologies,  
84 including competitive bidding pursuant to s. 287.057, designed  
85 to facilitate the cost-effective purchase of a case-managed  
86 continuum of care. The agency shall also require providers to  
87 minimize the exposure of recipients to the need for acute

2012730e1

88 inpatient, custodial, and other institutional care and the  
89 inappropriate or unnecessary use of high-cost services. The  
90 agency shall contract with a vendor to monitor and evaluate the  
91 clinical practice patterns of providers in order to identify  
92 trends that are outside the normal practice patterns of a  
93 provider's professional peers or the national guidelines of a  
94 provider's professional association. The vendor must be able to  
95 provide information and counseling to a provider whose practice  
96 patterns are outside the norms, in consultation with the agency,  
97 to improve patient care and reduce inappropriate utilization.  
98 The agency may mandate prior authorization, drug therapy  
99 management, or disease management participation for certain  
100 populations of Medicaid beneficiaries, certain drug classes, or  
101 particular drugs to prevent fraud, abuse, overuse, and possible  
102 dangerous drug interactions. The Pharmaceutical and Therapeutics  
103 Committee shall make recommendations to the agency on drugs for  
104 which prior authorization is required. The agency shall inform  
105 the Pharmaceutical and Therapeutics Committee of its decisions  
106 regarding drugs subject to prior authorization. The agency is  
107 authorized to limit the entities it contracts with or enrolls as  
108 Medicaid providers by developing a provider network through  
109 provider credentialing. The agency may competitively bid single-  
110 source-provider contracts if procurement of goods or services  
111 results in demonstrated cost savings to the state without  
112 limiting access to care. The agency may limit its network based  
113 on the assessment of beneficiary access to care, provider  
114 availability, provider quality standards, time and distance  
115 standards for access to care, the cultural competence of the  
116 provider network, demographic characteristics of Medicaid

2012730e1

117 beneficiaries, practice and provider-to-beneficiary standards,  
118 appointment wait times, beneficiary use of services, provider  
119 turnover, provider profiling, provider licensure history,  
120 previous program integrity investigations and findings, peer  
121 review, provider Medicaid policy and billing compliance records,  
122 clinical and medical record audits, and other factors. Providers  
123 are not entitled to enrollment in the Medicaid provider network.  
124 The agency shall determine instances in which allowing Medicaid  
125 beneficiaries to purchase durable medical equipment and other  
126 goods is less expensive to the Medicaid program than long-term  
127 rental of the equipment or goods. The agency may establish rules  
128 to facilitate purchases in lieu of long-term rentals in order to  
129 protect against fraud and abuse in the Medicaid program as  
130 defined in s. 409.913. The agency may seek federal waivers  
131 necessary to administer these policies.

132 (4) The agency may contract with:

133 (b) An entity that is providing comprehensive behavioral  
134 health care services to certain Medicaid recipients through a  
135 capitated, prepaid arrangement pursuant to the federal waiver  
136 provided for by s. 409.905(5). Such entity must be licensed  
137 under chapter 624, chapter 636, or chapter 641, or authorized  
138 under paragraph (c) or paragraph (d), and must possess the  
139 clinical systems and operational competence to manage risk and  
140 provide comprehensive behavioral health care to Medicaid  
141 recipients. As used in this paragraph, the term "comprehensive  
142 behavioral health care services" means covered mental health and  
143 substance abuse treatment services that are available to  
144 Medicaid recipients. The secretary of the Department of Children  
145 and Family Services shall approve provisions of procurements

2012730e1

146 related to children in the department's care or custody before  
147 enrolling such children in a prepaid behavioral health plan. Any  
148 contract awarded under this paragraph must be competitively  
149 procured. In developing the behavioral health care prepaid plan  
150 procurement document, the agency shall ensure that the  
151 procurement document requires the contractor to develop and  
152 implement a plan to ensure compliance with s. 394.4574 related  
153 to services provided to residents of licensed assisted living  
154 facilities that hold a limited mental health license. Except as  
155 provided in subparagraph 5., and except in counties where the  
156 Medicaid managed care pilot program is authorized pursuant to s.  
157 409.91211, the agency shall seek federal approval to contract  
158 with a single entity meeting these requirements to provide  
159 comprehensive behavioral health care services to all Medicaid  
160 recipients not enrolled in a Medicaid managed care plan  
161 authorized under s. 409.91211, a provider service network  
162 authorized under paragraph (d), or a Medicaid health maintenance  
163 organization in an AHCA area. In an AHCA area where the Medicaid  
164 managed care pilot program is authorized pursuant to s.  
165 409.91211 in one or more counties, the agency may procure a  
166 contract with a single entity to serve the remaining counties as  
167 an AHCA area or the remaining counties may be included with an  
168 adjacent AHCA area and are subject to this paragraph. Each  
169 entity must offer a sufficient choice of providers in its  
170 network to ensure recipient access to care and the opportunity  
171 to select a provider with whom they are satisfied. The network  
172 shall include all public mental health hospitals. To ensure  
173 unimpaired access to behavioral health care services by Medicaid  
174 recipients, all contracts issued pursuant to this paragraph must

2012730e1

175 require 80 percent of the capitation paid to the managed care  
176 plan, including health maintenance organizations and capitated  
177 provider service networks, to be expended for the provision of  
178 behavioral health care services. If the managed care plan  
179 expends less than 80 percent of the capitation paid for the  
180 provision of behavioral health care services, the difference  
181 shall be returned to the agency. The agency shall provide the  
182 plan with a certification letter indicating the amount of  
183 capitation paid during each calendar year for behavioral health  
184 care services pursuant to this section. The agency may reimburse  
185 for substance abuse treatment services on a fee-for-service  
186 basis until the agency finds that adequate funds are available  
187 for capitated, prepaid arrangements.

188 1. The agency shall modify the contracts with the entities  
189 providing comprehensive inpatient and outpatient mental health  
190 care services to Medicaid recipients in Hillsborough, Highlands,  
191 Hardee, Manatee, and Polk Counties, to include substance abuse  
192 treatment services.

193 2. Except as provided in subparagraph 5., the agency and  
194 the Department of Children and Family Services shall contract  
195 with managed care entities in each AHCA area except area 6 or  
196 arrange to provide comprehensive inpatient and outpatient mental  
197 health and substance abuse services through capitated prepaid  
198 arrangements to all Medicaid recipients who are eligible to  
199 participate in such plans under federal law and regulation. In  
200 AHCA areas where eligible individuals number less than 150,000,  
201 the agency shall contract with a single managed care plan to  
202 provide comprehensive behavioral health services to all  
203 recipients who are not enrolled in a Medicaid health maintenance

2012730e1

204 organization, a provider service network authorized under  
205 paragraph (d), or a Medicaid capitated managed care plan  
206 authorized under s. 409.91211. The agency may contract with more  
207 than one comprehensive behavioral health provider to provide  
208 care to recipients who are not enrolled in a Medicaid capitated  
209 managed care plan authorized under s. 409.91211, a provider  
210 service network authorized under paragraph (d), or a Medicaid  
211 health maintenance organization in AHCA areas where the eligible  
212 population exceeds 150,000. In an AHCA area where the Medicaid  
213 managed care pilot program is authorized pursuant to s.  
214 409.91211 in one or more counties, the agency may procure a  
215 contract with a single entity to serve the remaining counties as  
216 an AHCA area or the remaining counties may be included with an  
217 adjacent AHCA area and shall be subject to this paragraph.  
218 Contracts for comprehensive behavioral health providers awarded  
219 pursuant to this section shall be competitively procured. Both  
220 for-profit and not-for-profit corporations are eligible to  
221 compete. Managed care plans contracting with the agency under  
222 subsection (3) or paragraph (d) shall provide and receive  
223 payment for the same comprehensive behavioral health benefits as  
224 provided in AHCA rules, including handbooks incorporated by  
225 reference. In AHCA area 11, the agency shall contract with at  
226 least two comprehensive behavioral health care providers to  
227 provide behavioral health care to recipients in that area who  
228 are enrolled in, or assigned to, the MediPass program. One of  
229 the behavioral health care contracts must be with the existing  
230 provider service network pilot project, as described in  
231 paragraph (d), for the purpose of demonstrating the cost-  
232 effectiveness of the provision of quality mental health services



2012730e1

233 through a public hospital-operated managed care model. Payment  
234 shall be at an agreed-upon capitated rate to ensure cost  
235 savings. Of the recipients in area 11 who are assigned to  
236 MediPass under s. 409.9122(2)(k), a minimum of 50,000 of those  
237 MediPass-enrolled recipients shall be assigned to the existing  
238 provider service network in area 11 for their behavioral care.

239 3. Children residing in a statewide inpatient psychiatric  
240 program, or in a Department of Juvenile Justice or a Department  
241 of Children and Family Services residential program approved as  
242 a Medicaid behavioral health overlay services provider may not  
243 be included in a behavioral health care prepaid health plan or  
244 any other Medicaid managed care plan pursuant to this paragraph.

245 4. Traditional community mental health providers under  
246 contract with the Department of Children and Family Services  
247 pursuant to part IV of chapter 394, child welfare providers  
248 under contract with the Department of Children and Family  
249 Services in areas 1 and 6, and inpatient mental health providers  
250 licensed pursuant to chapter 395 must be offered an opportunity  
251 to accept or decline a contract to participate in any provider  
252 network for prepaid behavioral health services.

253 5. All Medicaid-eligible children, except children in area  
254 1 and children in Highlands County, Hardee County, Polk County,  
255 or Manatee County of area 6, that are open for child welfare  
256 services in the statewide automated child welfare information  
257 system, shall receive their behavioral health care services  
258 through a specialty prepaid plan operated by community-based  
259 lead agencies through a single agency or formal agreements among  
260 several agencies. The agency shall work with the specialty plan  
261 to develop clinically effective, evidence-based alternatives as

2012730e1

262 a downward substitution for the statewide inpatient psychiatric  
263 program and similar residential care and institutional services.  
264 The specialty prepaid plan must result in savings to the state  
265 comparable to savings achieved in other Medicaid managed care  
266 and prepaid programs. Such plan must provide mechanisms to  
267 maximize state and local revenues. The specialty prepaid plan  
268 shall be developed by the agency and the Department of Children  
269 and Family Services. The agency may seek federal waivers to  
270 implement this initiative. Medicaid-eligible children whose  
271 cases are open for child welfare services in the statewide  
272 automated child welfare information system and who reside in  
273 AHCA area 10 shall be enrolled in a capitated provider service  
274 network or other capitated managed care plan, which, in  
275 coordination with available community-based care providers  
276 specified in s. 409.1671, shall provide sufficient medical,  
277 developmental, and behavioral health services to meet the needs  
278 of these children.

279  
280 Effective July, 1, 2012, in order to ensure continuity of care,  
281 the agency is authorized to extend or modify current contracts  
282 based on current service areas or on a regional basis, as  
283 determined appropriate by the agency, with comprehensive  
284 behavioral health care providers as described in this paragraph  
285 during the period prior to its expiration. This paragraph  
286 expires October 1, 2014.

287 (21) The agency may impose a fine for a violation of this  
288 section or the contract with the agency by a person or entity  
289 that is under contract with the agency. With respect to any  
290 nonwillful violation, such fine shall not exceed \$2,500 per

2012730e1

291 violation. In no event shall such fine exceed an aggregate  
292 amount of \$10,000 for all nonwillful violations arising out of  
293 the same action. With respect to any knowing and willful  
294 violation of this section or the contract with the agency, the  
295 agency may impose a fine upon the entity in an amount not to  
296 exceed \$20,000 for each such violation. In no event shall such  
297 fine exceed an aggregate amount of \$100,000 for all knowing and  
298 willful violations arising out of the same action. ~~This~~  
299 ~~subsection expires October 1, 2014.~~

300 Section 3. Subsection (21) is added to section 409.9122,  
301 Florida Statutes, to read:

302 409.9122 Mandatory Medicaid managed care enrollment;  
303 programs and procedures.—

304 (21) If required as a condition of a waiver, the agency may  
305 calculate a medical loss ratio for managed care plans. The  
306 calculation shall utilize uniform financial data collected from  
307 all plans and shall be computed for each plan on a statewide  
308 basis. The method for calculating the medical loss ratio shall  
309 meet the following criteria:

310 (a) Except as provided in paragraphs (b) and (c),  
311 expenditures shall be classified in a manner consistent with 45  
312 C.F.R. part 158.

313 (b) Funds provided by plans to graduate medical education  
314 institutions to underwrite the costs of residency positions  
315 shall be classified as medical expenditures, provided the  
316 funding is sufficient to sustain the position for the number of  
317 years necessary to complete the residency requirements and the  
318 residency positions funded by the plans are active providers of  
319 care to Medicaid and uninsured patients.

2012730e1

320 (c) Prior to final determination of the medical loss ratio  
321 for any period, a plan may contribute to a designated state  
322 trust fund for the purpose of supporting Medicaid and indigent  
323 care and have the contribution counted as a medical expenditure  
324 for the period.

325 Section 4. Section 409.961, Florida Statutes, is amended to  
326 read:

327 409.961 Statutory construction; applicability; rules.—It is  
328 the intent of the Legislature that if any conflict exists  
329 between the provisions contained in this part and in other parts  
330 of this chapter, the provisions in this part control. Sections  
331 409.961–409.985 apply only to the Medicaid managed medical  
332 assistance program and long-term care managed care program, as  
333 provided in this part. The agency shall adopt any rules  
334 necessary to comply with or administer this part and all rules  
335 necessary to comply with federal requirements. In addition, the  
336 department shall adopt and accept the transfer of any rules  
337 necessary to carry out the department's responsibilities for  
338 receiving and processing Medicaid applications and determining  
339 Medicaid eligibility and for ensuring compliance with and  
340 administering this part, as those rules relate to the  
341 department's responsibilities, and any other provisions related  
342 to the department's responsibility for the determination of  
343 Medicaid eligibility. Contracts with the agency and a person or  
344 entity, including Medicaid providers and managed care plans,  
345 necessary to administer the Medicaid program are not rules and  
346 are not subject to chapter 120.

347 Section 5. Subsections (4) and (6) of section 409.962,  
348 Florida Statutes, are amended to read:

2012730e1

349 409.962 Definitions.—As used in this part, except as  
350 otherwise specifically provided, the term:

351 (4) “Comprehensive long-term care plan” means a managed  
352 care plan, including a Medicare Advantage Special Needs Plan  
353 organized as a preferred provider organization, provider-  
354 sponsored organization, health maintenance organization, or  
355 coordinated care plan, that provides services described in s.  
356 409.973 and also provides the services described in s. 409.98.

357 (6) “Eligible plan” means a health insurer authorized under  
358 chapter 624, an exclusive provider organization authorized under  
359 chapter 627, a health maintenance organization authorized under  
360 chapter 641, or a provider service network authorized under s.  
361 409.912(4)(d) or an accountable care organization authorized  
362 under federal law. For purposes of the managed medical  
363 assistance program, the term also includes the Children’s  
364 Medical Services Network authorized under chapter 391 and. ~~For~~  
365 ~~purposes of the long-term care managed care program, the term~~  
366 ~~also includes~~ entities qualified under 42 C.F.R. part 422 as  
367 Medicare Advantage Preferred Provider Organizations, Medicare  
368 Advantage Provider-sponsored Organizations, Medicare Advantage  
369 Health Maintenance Organizations, Medicare Advantage Coordinated  
370 Care Plans, and Medicare Advantage Special Needs Plans, and the  
371 Program of All-inclusive Care for the Elderly.

372 Section 6. Paragraph (c) of subsection (3) of section  
373 409.966, Florida Statutes, is amended to read:

374 409.966 Eligible plans; selection.—

375 (3) QUALITY SELECTION CRITERIA.—

376 (c) After negotiations are conducted, the agency shall  
377 select the eligible plans that are determined to be responsive

2012730e1

378 and provide the best value to the state. Preference shall be  
379 given to plans that:

380 1. Have signed contracts with primary and specialty  
381 physicians in sufficient numbers to meet the specific standards  
382 established pursuant to s. 409.967(2)(b).

383 2. Have well-defined programs for recognizing patient-  
384 centered medical homes and providing for increased compensation  
385 for recognized medical homes, as defined by the plan.

386 3. Are organizations that are based in and perform  
387 operational functions in this state, in-house or through  
388 contractual arrangements, by staff located in this state. Using  
389 a tiered approach, the highest number of points shall be awarded  
390 to a plan that has all or substantially all of its operational  
391 functions performed in the state. The second highest number of  
392 points shall be awarded to a plan that has a majority of its  
393 operational functions performed in the state. The agency may  
394 establish a third tier; however, preference points may not be  
395 awarded to plans that perform only community outreach, medical  
396 director functions, and state administrative functions in the  
397 state. For purposes of this subparagraph, operational functions  
398 include corporate headquarters, claims processing, member  
399 services, provider relations, utilization and prior  
400 authorization, case management, disease and quality functions,  
401 and finance and administration. For purposes of this  
402 subparagraph, the term "corporate headquarters" ~~"based in this~~  
403 ~~state"~~ means ~~that the entity's~~ principal office of ~~is in this~~  
404 ~~state and the organization, which may not be~~ plan is not a  
405 subsidiary, directly or indirectly through one or more  
406 subsidiaries of, or a joint venture with, any other entity whose

2012730e1

407 principal office is not located in the state.

408 4. Have contracts or other arrangements for cancer disease  
409 management programs that have a proven record of clinical  
410 efficiencies and cost savings.

411 5. Have contracts or other arrangements for diabetes  
412 disease management programs that have a proven record of  
413 clinical efficiencies and cost savings.

414 6. Have a claims payment process that ensures that claims  
415 that are not contested or denied will be promptly paid pursuant  
416 to s. 641.3155.

417 Section 7. Paragraph (h) of subsection (2) of section  
418 409.967, Florida Statutes, is amended, and subsection (4) is  
419 added to that section, to read:

420 409.967 Managed care plan accountability.—

421 (2) The agency shall establish such contract requirements  
422 as are necessary for the operation of the statewide managed care  
423 program. In addition to any other provisions the agency may deem  
424 necessary, the contract must require:

425 (h) *Penalties.*—

426 1. Withdrawal and enrollment reduction.—Managed care plans  
427 that reduce enrollment levels or leave a region before the end  
428 of the contract term must reimburse the agency for the cost of  
429 enrollment changes and other transition activities. If more than  
430 one plan leaves a region at the same time, costs must be shared  
431 by the departing plans proportionate to their enrollments. In  
432 addition to the payment of costs, departing provider services  
433 networks must pay a per-enrollee ~~per-enrollee~~ penalty of up to 3  
434 months' payment and continue to provide services to the enrollee  
435 for 90 days or until the enrollee is enrolled in another plan,

2012730e1

436 whichever occurs first. In addition to payment of costs, all  
437 other departing plans must pay a penalty of 25 percent of that  
438 portion of the minimum surplus maintained ~~requirement~~ pursuant  
439 to s. 641.225(1) which is attributable to the provision of  
440 coverage to Medicaid enrollees. Plans shall provide at least 180  
441 days' notice to the agency before withdrawing from a region. If  
442 a managed care plan leaves a region before the end of the  
443 contract term, the agency shall terminate all contracts with  
444 that plan in other regions, pursuant to the termination  
445 procedures in subparagraph 3.

446 2. Encounter data.—If a plan fails to comply with the  
447 encounter data reporting requirements of this section for 30  
448 days, the agency must assess a fine of \$5,000 per day for each  
449 day of noncompliance beginning on the 31st day. On the 31st day,  
450 the agency must notify the plan that the agency will initiate  
451 contract termination procedures on the 90th day unless the plan  
452 comes into compliance before that date.

453 3. Termination.—If the agency terminates more than one  
454 regional contract with the same managed care plan due to  
455 noncompliance with the requirements of this section, the agency  
456 shall terminate all the regional contracts held by that plan.  
457 When terminating multiple contracts, the agency must develop a  
458 plan to provide for the transition of enrollees to other plans,  
459 and phase in ~~phase in~~ the terminations over a time period  
460 sufficient to ensure a smooth transition.

461 (4) MEDICAL LOSS RATIO.—If required as a condition of a  
462 waiver, the agency may calculate a medical loss ratio for  
463 managed care plans. The calculation shall use uniform financial  
464 data collected from all plans and shall be computed for each



2012730e1

465 plan on a statewide basis. The method for calculating the  
466 medical loss ratio shall meet the following criteria:

467 (a) Except as provided in paragraphs (b) and (c),  
468 expenditures shall be classified in a manner consistent with 45  
469 C.F.R. part 158.

470 (b) Funds provided by plans to graduate medical education  
471 institutions to underwrite the costs of residency positions  
472 shall be classified as medical expenditures, provided the  
473 funding is sufficient to sustain the position for the number of  
474 years necessary to complete the residency requirements and the  
475 residency positions funded by the plans are active providers of  
476 care to Medicaid and uninsured patients.

477 (c) Prior to final determination of the medical loss ratio  
478 for any period, a plan may contribute to a designated state  
479 trust fund for the purpose of supporting Medicaid and indigent  
480 care and have the contribution counted as a medical expenditure  
481 for the period.

482 Section 8. Subsection (4) of section 409.973, Florida  
483 Statutes, is amended to read:

484 409.973 Benefits.—

485 (4) PRIMARY CARE INITIATIVE.—Each plan operating in the  
486 managed medical assistance program shall establish a program to  
487 encourage enrollees to establish a relationship with their  
488 primary care provider. Each plan shall:

489 (a) Provide information to each enrollee on the importance  
490 of and procedure for selecting a primary care provider  
491 physician, and thereafter automatically assign to a primary care  
492 provider any enrollee who fails to choose a primary care  
493 provider.

2012730e1

494 (b) If the enrollee was not a Medicaid recipient before  
495 enrollment in the plan, assist the enrollee in scheduling an  
496 appointment with the primary care provider. If possible the  
497 appointment should be made within 30 days after enrollment in  
498 the plan. For enrollees who become eligible for Medicaid between  
499 January 1, 2014, and December 31, 2015, the appointment should  
500 be scheduled within 6 months after enrollment in the plan.

501 (c) Report to the agency the number of enrollees assigned  
502 to each primary care provider within the plan's network.

503 (d) Report to the agency the number of enrollees who have  
504 not had an appointment with their primary care provider within  
505 their first year of enrollment.

506 (e) Report to the agency the number of emergency room  
507 visits by enrollees who have not had at least one appointment  
508 with their primary care provider.

509 Section 9. Subsection (3) of section 409.974, Florida  
510 Statutes, is amended, and subsection (5) is added to that  
511 section, to read:

512 409.974 Eligible plans.—

513 (3) SPECIALTY PLANS.—Participation by specialty plans shall  
514 be subject to the procurement requirements ~~and regional plan~~  
515 ~~number limits~~ of this section. The aggregate enrollment of all  
516 specialty plans in a region may not exceed 10 percent of the  
517 total enrollees of that region. However, a specialty plan whose  
518 target population includes no more than 10 percent of the  
519 enrollees of that region is not subject to the regional plan  
520 number limits of this section.

521 (5) MEDICARE PLANS.—Participation by a Medicare Advantage  
522 Preferred Provider Organization, Medicare Advantage Provider—

2012730e1

523 sponsored Organization, Medicare Advantage Health Maintenance  
524 Organization, Medicare Advantage Coordinated Care Plan, or  
525 Medicare Advantage Special Needs Plan shall be pursuant to a  
526 contract with the agency that is consistent with the Medicare  
527 Improvement for Patients and Providers Act of 2008, Pub. L. No.  
528 110-275. Such plans are not subject to the procurement  
529 requirements if the plan's Medicaid enrollees consist  
530 exclusively of dually eligible recipients who are enrolled in  
531 the plan in order to receive Medicare benefits as of the date  
532 that the invitation to negotiate is issued. Otherwise, such  
533 plans are subject to all procurement requirements.

534 Section 10. Subsection (5) of section 409.981, Florida  
535 Statutes, is amended to read:

536 409.981 Eligible long-term care plans.-

537 (5) MEDICARE ADVANTAGE SPECIAL NEEDS PLANS.-Participation  
538 ~~by a Medicare Advantage Preferred Provider Organization,~~  
539 ~~Medicare Advantage Provider-sponsored Organization, or Medicare~~  
540 ~~Advantage Special Needs Plan shall be pursuant to a contract~~  
541 ~~with the agency that is consistent with the Medicare Improvement~~  
542 ~~for Patients and Providers Act of 2008, Pub. L. No. 110-275.~~  
543 Such plans are ~~and~~ not subject to the procurement requirements  
544 if the plan's Medicaid enrollees consist exclusively of dually  
545 eligible recipients who are enrolled in the plan in order to  
546 receive Medicare benefits as of the date the invitation to  
547 negotiate is issued ~~deemed dually eligible for Medicaid and~~  
548 ~~Medicare services. Otherwise, Medicare Advantage Preferred~~  
549 ~~Provider Organizations, Medicare Advantage Provider-sponsored~~  
550 ~~Organizations, and Medicare Advantage Special Needs Plans are~~  
551 subject to all procurement requirements.

2012730e1

552 Section 11. Effective May 12, 2012, paragraph (h) is added  
553 to subsection (1) of section 627.602, Florida Statutes, to read:  
554 627.602 Scope, format of policy.—

555 (1) Each health insurance policy delivered or issued for  
556 delivery to any person in this state must comply with all  
557 applicable provisions of this code and all of the following  
558 requirements:

559 (h) Section 641.312 and the provisions of the Employee  
560 Retirement Income Security Act of 1974, as implemented by 29  
561 C.F.R. s. 2560.503-1, relating to internal grievances. This  
562 paragraph does not apply to a health insurance policy that is  
563 subject to the subscriber assistance program under s. 408.7056  
564 or to the types of benefits or coverages provided under s.  
565 627.6561(5) (b)-(e) issued in any market.

566 Section 12. Effective May 12, 2012, section 627.6513,  
567 Florida Statutes, is created to read:

568 627.6513 Scope.—Section 641.312 and the provisions of the  
569 Employee Retirement Income Security Act of 1974, as implemented  
570 by 29 C.F.R. s. 2560.503-1, relating to internal grievances,  
571 apply to all group health insurance policies issued under this  
572 part. This section does not apply to a group health insurance  
573 policy that is subject to the subscriber assistance program in  
574 s. 408.7056 or to the types of benefits or coverages provided  
575 under s. 627.6561(5) (b)-(e) issued in any market.

576 Section 13. Effective May 12, 2012, section 641.312,  
577 Florida Statutes, is created to read:

578 641.312 Scope.—The Office of Insurance Regulation may adopt  
579 rules to administer the provisions of the National Association  
580 of Insurance Commissioners' Uniform Health Carrier External

2012730e1

581 Review Model Act, issued by the National Association of  
582 Insurance Commissioners and dated April 2010. This section does  
583 not apply to a health maintenance contract that is subject to  
584 the subscriber assistance program under s. 408.7056 or to the  
585 types of benefits or coverages provided under s. 625.6561(5)(b)-  
586 (e) issued in any market.

587       Section 14. Except as otherwise expressly provided in this  
588 act and except for this section, which shall take effect upon  
589 this act becoming a law, this act shall take effect July 1,  
590 2012.